

**Kathmandu** -- Today marks the launch of the “Nepal Small Hydro Fund,” an initiative of the U.S. Agency for International Development’s South Asia Regional Initiative for Energy (SARI/Energy). A Rs. 300 million hydropower deposit fund has been created to develop hydropower projects in Nepal, unlocking the potential of the hydro survey licenses that have been issued by the government. Potential investors, developers, and high level representatives from the Government of Nepal, USAID/Nepal and SARI/Energy were present at the event organized by the Clean Energy Development Bank.

USAID’s SARI/Energy is providing technical assistance to the Clean Energy Development Bank (CEDB) to develop the fund. SARI/Energy supports private sector financial institutions to enable investment in small and medium-sized hydropower projects. CEDB, a national level development bank which started operating in September 2006, focuses largely on promoting clean and renewable energy projects and technologies through specialized financing packages.

Reiterating the need for investment in hydropower for sustainable economic development, Beth S. Paige, Mission Director of USAID/Nepal, said “Encouraging private sector financial institutions to invest in hydropower is an important first step to accelerate Nepal’s efforts in developing its indigenous hydro-resources to fulfill its own and regional energy needs. Nepal with its vast hydropower potential can be a regional electricity supplier which will foster closer regional cooperation on a broad range of other issues”.

USAID’s SARI/Energy promotes clean energy access in South Asia through three main areas: cross border energy trade, energy market formation, and regional clean energy development. Through these activities, SARI/Energy facilitates efficient regional energy resource utilization, works toward transparent and profitable energy practices, mitigates the environmental impacts of energy production, and increases regional access to energy. The countries participating in the initiative are Nepal, Afghanistan, Bangladesh, Bhutan, India, Maldives, Pakistan, and Sri Lanka.